

**Fruit and Vegetable Industry Advisory Committee**  
**Capital Hilton, 1001-16th Street NW, Washington, D.C.**  
**February 7-8, 2008**

**Final Minutes**

This summary of the February 7-8, 2008, meeting was approved by the full Fruit and Vegetable Industry Advisory Committee when it convened on September 8, 2008. A number of presenters at the meeting used Microsoft PowerPoint slides to convey information; the slides are available for viewing at [www.ams.usda.gov/fv](http://www.ams.usda.gov/fv).

**Attendees:**

**Danny Arnold**, A-W Produce Company; **Gordon Bowman**, Bowman Apple Products; **Wayne Brandt**, Brandt Farms; **Jim Corby**, Food Lion; **Matthew D'Arrigo**, D'Arrigo Brothers of New York; **Andrew Deane**, Del Monte Foods; **Joseph DeVerna**, Ocean Spray; **Michael Hollister**, Driscolls; **A.G. Kawamura**, California Department of Food and Agriculture; **Helen Masser**, Stermann Masser, Inc.; **Lisa McNeece**, Grimmway Enterprises; **John Millwater**, Fresh Express; **Luis Monterde**, B&M Blueberries; **Robert Morrissey**, National Watermelon Association; **Paul Newman**, Rainier Fruit Company; **Mike Stuart**, Florida Fruit and Vegetable Association; **Lisa Strube**, Strube Celery and Vegetable Company; **Jennifer Verdelli**, Verdelli Farms; **Rebecca Wilson**, Tom Lange Company; **Larry Yonce**, J.W. Yonce and Sons; and **Robert Keeney** (Executive Secretary) and **Andrew Hatch** (Designated Federal Official), USDA Agricultural Marketing Service

**Absentees:**

**Bill Brim**, Lewis Taylor Farms; **Frederick Caito**, Caito Foods Service; **Charles Ciruli, Jr.**, Ciruli Brothers/Amex Distributing Company; **Scott Danner**, Liberty Fruit Company; and **Dan Richey**, Riverfront Growers/Riverfront Packing

**Observers:**

Bill Allen -- USDA Agricultural Marketing Service  
Terry Bane -- USDA Agricultural Marketing Service  
Nega Beru -- Food and Drug Administration  
Bruce Blanton -- USDA Agricultural Marketing Service  
Linda Calvin -- USDA Economic Research Service  
Antoinette Carter -- USDA Agricultural Marketing Service  
Jim Craney -- USApple Association  
Nate Dechoretz -- California Department of Food and Agriculture  
Lorelei DiSogra -- United Fresh Produce Association  
David Durkin -- Olsson, Frank and Weeda, P.C.  
Benjamin England -- Jones Walker  
Kathy Finn -- USDA Agricultural Marketing Service

Nancy Foster -- USApple Association  
Glenn Fry -- Taylor Farms  
Robert Guenther -- United Fresh Produce Association  
Jay Guerber -- USDA Agricultural Marketing Service  
Andrew Harig -- Food Marketing Institute  
Meghan Kolassa -- National Potato Council  
Diane Kurrie -- USApple Association  
Russell Laird -- American Trucking Associations  
Gabrielle Ludwig -- Almond Board of California  
Lee Mannering -- Produce Marketing Association  
Andrew Marshall -- United Fresh Produce Association  
Taylor Martin -- United Fresh Produce Association  
Laurel May -- USDA Agricultural Marketing Service  
Marc McFetridge -- USDA Agricultural Marketing Service  
Brian McGregor -- USDA Agricultural Marketing Service  
David Mitchell -- *The Packer*  
Joan Murphy -- *The Produce News*  
Nicole Nelson -- USDA Agricultural Marketing Service  
Tom O'Brien -- O'Brien DC  
Leanne Skelton -- USDA Agricultural Marketing Service  
Boyd Stephenson -- American Trucking Associations  
Bruce Summers -- USDA Agricultural Marketing Service  
Lorenzo Tribbett -- USDA Agricultural Marketing Service  
Dave Tuckwiller -- USDA Agricultural Marketing Service  
Jimmie Turner -- USDA Agricultural Marketing Service  
Autumn Veazey -- United Fresh Produce Association  
Deborah White -- Food Marketing Institute  
Emily Wurth -- Food and Water Watch

This was the Fruit and Vegetable Industry Advisory Committee's first meeting after the Department of Agriculture (USDA) issued it a new 2-year charter in May 2007 and appointed new members. USDA's Agricultural Marketing Service convened the meeting at the South American Conference Room of the Capital Hilton, 1001-16<sup>th</sup> Street NW in Washington, D.C.

### **February 7, 2008**

8:15 a.m. -- USDA's Andrew Hatch provided a brief orientation for the benefit of the eleven new and fourteen returning members on the Advisory Committee. Mr. Hatch summarized his responsibilities as the designated federal official, the role of USDA's Robert Keeney as their executive secretary, their duty as an advisory group to the Secretary of Agriculture, and the purpose of the chairperson and vice chairperson who the Advisory Committee would elect later that morning.

Mr. Hatch described the nature of full committee meetings that are open to the public and required to meet standards set by the Federal Advisory Committee Act, along with restrictions placed on public access to meetings of informal working groups that convene to gather information and develop materials for the full Advisory Committee's consideration.

### **Comments from Observers**

8:30 a.m. -- Mr. Hatch introduced the "Comments from Observers" portion of the agenda by directing Committee members to a written document that was available for their viewing in their packets. The letter, from Ms. Joan Levin, expressed to them her opposition to any treatment of raw almonds as a way to minimize the risks of Salmonella, and cited the final rule published in the *Federal Register* on March 30, 2007, which took effect on September 1, 2007.

Representing Taylor Farms of Mexico, Mr. Benjamin England addressed the full Committee by pointing out the fresh vegetable processing firm's documented and mandatory food safety steps that include performing 5-year field and farm history studies, risk analysis, water testing, pathogen testing, pre-harvest audits and other procedures that maintain the wholesomeness and safety of their food products. Mr. England stressed the importance of the USDA and the Food and Drug Administration reducing the screening process where it could be documented that food safety principles are being implemented at the source, alleviating the burden on border inspection points. Mr. England asked the Advisory Committee to encourage the USDA to work with the Department of Health and Human Services in implementing portions of the Food Import Safety Plan that help the Food and Drug Administration conduct onsite facility audits in foreign production facilities.

Because no other observers wished to address the Advisory Committee, Mr. Hatch asked each Advisory Committee member to introduce themselves and then requested nominations for the chairperson and vice chairperson positions. They elected Wayne Brandt as chairman and Robert Morrissey as vice chairman.

8:50 a.m. -- Advisory Committee Executive Secretary Robert Keeney walked everyone through the agenda and then provided opportunity for members to ask questions that led to discussions on efforts of the Advisory Committee under previous charters, the status of Perishable Agricultural Commodities Act license and audit fee increases, the issues related to working groups to be formed by the end of the meeting, and Ed Schafer's appointment on the previous day to Agricultural Secretary by President George W. Bush.

### **Department Greeting**

9:20 a.m. -- USDA Agricultural Marketing Service Associate Administrator Kenneth Clayton congratulated Advisory Committee members on their appointments, stressed the importance of their recommendations to the Department and emphasized the need for their input into matters related to agricultural transportation and the USDA's role in auditing for best agriculture practices. Dr. Clayton then introduced Deputy Secretary Chuck Conner who summarized some of the most noteworthy actions the USDA has accomplished as a result of this Advisory Committee's recommendations, before conveying his thoughts on the Farm Bill, labor reform legislation, the Department's budget proposal and free trade agreements.

House and Senate compromise is needed, he said, in order to avoid the President's veto of the 2007 Farm Bill, and Under Secretary Conner expressed strong support for Farm Bill legislation that encourages reform over raising taxes. Related to labor legislation, he highlighted the proposed rule to improve the H2A worker program with measures such as market-based wage rates. Mr. Conner highlighted some of the fruit and vegetable-related initiatives included in the Department's fiscal year 2009 budget of \$95 billion, a similar expenditure amount from the previous year that contributes to the President's efforts to balance the national budget in 5 years. Before concluding to answer questions and present *Certificates of Appointment* to each present member, Mr. Conner highlighted free trade agreements that have enabled the United States to achieve a record \$91 billion last year in agriculture exports, an amount nearly double from 8 years ago.

### **Fruit and Vegetable Purchasing Initiatives**

10:15 a.m. -- The USDA Agricultural Marketing Service's Dave Tuckwiller described initiatives underway in the USDA to enhance its purchases of fresh and processed fruits and vegetables for the National School Lunch Program, food banks and other domestic outlets.

Existing programs, Mr. Tuckwiller summarized, resulted from his office's partnership with the USDA Food and Nutrition Service to purchase nearly 1 billion pounds annually of U.S.-grown fresh and processed fruits and vegetables, as well as a decade-old agreement with the Department of Defense that permits the use of its established distribution channels in order to provide an additional \$50 million annually in fresh fruits and vegetables. He also addressed AMS' audit requirements that all vendors undertake in order to sell their products to the USDA.

Mr. Tuckwiller closed by presenting to the Advisory Committee an initiative being planned that will test the ability and efficiencies in purchasing fresh-cut and minimally packaged product from vendors for National School Lunch Program meals. The first test will be on fresh-cut apples in time for the end of the current school year, with an expanded test purchase anticipated next fall.

## **Farm Bill**

11:00 a.m. -- The USDA Agricultural Marketing Service's Bill Allen provided an overview of the major fruit and vegetable provisions in the House and Senate versions of the 2007 Farm Bill. The House passed its version in July, with the Senate passing its version in December. Conference committees now must reconcile the differences and develop a bill that will pass both the House and Senate and be signed by the President.

Both bills maintain the current prohibition on planting fruits and vegetables on base acres; greatly expand funding for the Specialty Crop Block Grant Program; include a new Specialty Crop Transportation Grant Program; expand the USDA's Market News Service to collect prices and market information of additional fruits and vegetables; and both would greatly increase the Section 32 funds available for purchasing fruits and vegetables, from the current \$200 million to \$390 million in 2008, \$393 million in 2009, \$399 million for 2010, \$403 million in 2011 plus \$406 million in 2012 and thereafter.

Mr. Allen concluded by describing the commonalities and differences in such proposed initiatives as the Healthy Food Enterprise Development Center, the Urban Organic Gardens and Greenhouse program, the Fresh Produce Education Initiative, the Emergency Food Assistance Program, the Technical Assistance for Specialty Crops program, the Fresh Fruit and Vegetable Pilot Program, and the Specialty Crop Research Initiative.

During question-and-answer dialogue, it was raised by the Advisory Committee that another notable item in the House bill and important to the specialty crop industry is a \$250 million Threat Identification and Mitigation Program for invasive pests and diseases. The House bill contained \$1.8 billion in mandatory spending for specialty crops over five years, while the Senate version contained \$2.2 billion. Ensuing discussion reminded everyone that funding levels for some programs are authorized but not yet appropriated.

### **Country of Origin Labeling**

1:15 p.m. -- After Advisory Committee members reconvened following lunch, they heard from the USDA Agricultural Marketing Service's Bruce Summers who presented a status report on the implementation of Country of Origin Labeling. Because the program is currently in the rulemaking process, Mr. Summers talked and answered questions about the background and status of the regulations that would require retailers to accurately label the products according to their country of origin, but he was not allowed to address the specific pending regulatory proposals.

Mr. Summers described the program that will become effective for fruits and vegetables on September 30, 2008. Businesses that supply commodities to those defined as "retailers" by the Perishable Agricultural Commodities Act, he stated, would be required to provide information on the product's origin to the retailers and maintain those records, so that the commodity could be traced back to its source, if necessary.

USDA has not prepared final Country of Origin Labeling regulations, he said, because the 2007 Farm Bill contains significant changes to the original Country of Origin Labeling program. Whether or not these changes are enacted will dictate how USDA proceeds with finalizing the regulations.

### **Food Protection Plan**

1:35 p.m. -- The Food and Drug Administration's (FDA) Nega Beru presented the Food Protection Plan, which, he described, is a new approach to food protection and would be a comprehensive and integrated program intended to cover human and animal food, domestic and imported products, and unintentional (food safety) and intentional (food defense) contamination. Concerns on the safety of the U.S. food supply has risen as a result of, he theorized, changing U.S. demographics, increased availability of ready-to-eat products, the steady growth of the number and variety of agents associated with foodborne illness and an increasing proportion of imported foods. In an effort to detect harmful food items and preventing illnesses, plus reducing chances for successful attacks on the U.S. food supply, the Food Protection Plan places an increased emphasis on prevention, going from reactive to becoming proactive with a faster and more focused response, contains core elements (prevention, intervention and response) plus 38 administrative actions and 10 legislative proposals, and compliments the Import Safety Action Plan.

During the question-and-answer segment of his presentation, Dr. Begu addressed the FDA's goal of enhancing its access to records through industry and state contacts, its intention to accredit other government agencies and private, third-parties to accomplish the audits and inspections, and its work through normal budgeting processes to get the Plan fully funded and its established annual schedule to implement the Plan completely.

### **Best Agricultural Practices**

2:40 p.m. -- The USDA Agricultural Marketing Service's and the Advisory Committee's Executive Secretary Robert Keeney led the Advisory Committee in a discussion on USDA services available to the produce industry to help marketers ensure products are handled according to acceptable and self-imposed good agricultural practices, good handling practices and good manufacturing practices.

Mr. Keeney described the Agricultural Marketing Agreement Act of 1937 that enables agriculture producers and handlers to recommend to the Secretary of Agriculture to develop and administer marketing orders or marketing agreements that address marketing problems that that sector of the industry is currently having or anticipate having in the future.

Mr. Keeney described the differences in marketing orders, which are binding on all "handlers" in a specified region after the order is found to have support of producers in a voting referendum, and marketing agreements, which are binding on only those growers, handlers, processors or others who handle that commodity and elect to sign the agreement. He also described his agency's experience in administering marketing orders, which there are currently 32 active, and marketing agreements.

Ensuing discussion centered on the definition of "handler," the duration of marketing orders and marketing agreements, the experience that a number of Advisory Committee members have with these federal programs, and the amount of interest industry groups have recently expressed about such programs as ways to address issues related to best agricultural practices for their specific commodity.

Mr. Keeney then introduced the USDA Agricultural Marketing Service's Michael Durando, who provided a statistical breakdown of the 3,500 public comments that the USDA Agricultural Marketing Service received following the publication of an Advanced Notice of Proposed Rulemaking in October 2007 on the concept of a national leafy greens marketing agreement. The notice asked for diverse opinions on the idea of a USDA program that would ensure best agricultural practices and minimize the risk of future foodborne contamination of lettuce, spinach and other leafy greens by attesting industry practices against established protocols based on regional practices, the best available science and FDA guidance documents.

Mr. Durando's analysis of the comments showed strong consumer opposition to any sterilization of leafy green products, concern for the cost burden on small farming businesses, preference for only pre-cut or fresh-cut packaged products, and concern for any negative environmental impact. Government agencies that commented generally asked to be included in the promulgation of any regulation to avoid conflicts with existing, related laws. Commenting states requested that any audit program be national in scope, with some flexibility for regional distinctions. Special interest groups asked that the USDA focus solely on handlers and fresh-cut operators, include representation from a broad scope of interests when developing such a program, and impose the same regulations uniformly on imports as domestically grown products.

From the agriculture community, their views generally support a marketing agreement on leafy greens that: is science-based; encompasses growers, shippers and handlers; considers exempting small and organic producers and those who direct sell through farmers markets and roadside stands; compliments National Organic Program guidelines; is national in scope with regional distinctions; considers the disproportionate economic impact on small operators; and satisfies audit requirements of multiple government and retail buyers.

During the dialogue phase of the afternoon's discussion, a majority of the Advisory Committee members conveyed their experiences in product recalls, and strongly endorsed the belief that "doing nothing or maintaining the status quo are not options." They reached consensus that a science-based marketing order or marketing agreement program would provide a mechanism to build a program that is acceptable to industry, retailers and consumers, and could be implemented more quickly than the Food Protection Plan or similar measures.

The meeting adjourned at 5:00 p.m. on February 7, 2008, and reconvened at 8:15 a.m. on February 8, 2008.

8:15 a.m. -- Advisory Committee Executive Secretary Mr. Keeney discussed the two previous recommendations that the Advisory Committee finalized in January and June 2007 related to the USDA's role in promoting best agricultural practices: one, advocating a strong partnership between industry and appropriate Federal Government agencies to develop and ensure effective food safety standards; and the other, recommending the USDA facilitate and advocate the development and adoption of unified food safety standards for the fruit and vegetable industry. The Advisory Committee developed and finalized the following recommendation for the Secretary of Agriculture's consideration:



The Fruit and Vegetable Industry Advisory Committee recommends that USDA make marketing agreements and marketing orders available to industries to facilitate national adoption and compliance with food safety standards, such as Good Agricultural Practices (GAPs), Good Handling Practices (GHPs) and Good Manufacturing Practices (GMPs).

### **State of the Agriculture Transportation Industry**

10:00 a.m. -- The USDA Agricultural Marketing Service's Bruce Blanton presented data obtained from the Economic Research Service and other sources on current and projected U.S. production and trade of fruits, vegetables and nuts. Data showed steady growth in production, expected to increase from 203.6 billion pounds in 2007 to 228.7 billion in 2017. Horticultural exports, he showed, are expected to increase 5 percent per year, while imports climb 6 percent per year, both indicating increased demand for transportation services. Mr. Blanton also: projected national maps developed by the Department of Transportation that illustrated the dramatic and anticipated increase in highway congestion from today to 2035; conveyed the top issues of the American Transportation Research Institute, which included among others, concerns about drivers' hours-of-service rules, driver shortages, fuel issues, road congestion, and government regulations; and cited estimates from Global Insight, Inc. indicating that driver shortages are projected to exceed 111,000 drivers by 2014.

Mr. Blanton encouraged a dialogue between his office and industry representatives in order to implement new areas of research and focus that would lead to ensuring more reliable delivery of products. Even though national and global influences greater than the produce industries may impact infrastructure decisions, he indicated that the U.S. fruit and vegetable industries also need to communicate their needs more fully to the Department of Transportation.

### **Administrative Matters**

Committee members formed working groups that will gather information and meet by conference call prior to the next meeting. Following the Advisory Committee's February 7-8, 2008, meeting, those members who were absent volunteered for working groups of their choice and their names were added to the rosters below.

- **Child Nutrition/WIC Reauthorization:** Helen Masser, Lisa McNeece, Lisa Strube, Andrew Deane, Paul Newman and Rebecca Wilson (Chair)
- **Labor:** Paul Newman (Chair), Luis Monterde, Larry Yonce, Joe DeVerna, Mike Stuart, Danny Arnold, Bill Brim and Helen Masser
- **Food Safety/Traceability:** Robert Morrissey, Wayne Brandt, Mike Hollister, Mike Stuart, Jim Corby, Lisa McNeese, John Millwater (Chair), Scott Danner, Bill Brim and Danny Arnold

- **Market News/Fresh Inspection:** Lisa Strube (Chair), Matthew D'Arrigo, Mike Hollister, Rebecca Wilson, Fred Caito and Joe DeVerna
- **Transportation:** Scott Danner, Jennifer Verdelli, Gordon Bowman, Matthew D'Arrigo (Chair), Fred Caito and Jim Corby

Committee members requested the next meeting be held in September 2008 and be limited to one day. They also identified topics to include the Market News reporting of organically grown fruits and vegetables, the increase to Perishable Agricultural Commodities Act license fees, USDA crop insurance programs, Maximum Residue Levels administered by foreign countries and the preeminent research on residue minimization for pesticides in food, and a review of and possible taste-testing of food USDA purchases for the National School Lunch Program.

Andrew Hatch  
USDA Agricultural Marketing Service  
February 29, 2008